Arbitrary approach in disinvestment of sick companies

2976. SHRI CHO S. RAMASWAMY: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether it is a fact that Government have arbitrary approach to disinvestment in sick companies leaving the giants even if they are loss making;

(b) if so, what are the reasons therefor;

(c) what are the guidelines adopted to disinvest a particular unit or units;

(d) whether it is also a fact that the disinvestment process is slow as compared to Government Publicity in the media; and

(e) if so, the reasons therefor?

THE MINISTER OF STATE OF THE DEPARTMENT OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) No Sir.

(b) Does not arise.

(c) Government decides to disinvest its equity, partly or fully, in Public Sector Enterprises in accordance with the declared disinvestment policy. As stated in the budget speech for 2000-2001, the disinvestment policy of the Government applicable to all Public Sector Enterprises in the non-strategic sectors is to bring down the Government equity to 26% or below in generality of cases. In cases of Public Sector Enterprises involving strategic considerations, Government will continue to retain majority holding.

It has also been decided that the Strategic Public Sector Enterprises would be those in the areas of:

(a) Arms and ammunitions and the allied items of defence equipment, defence air-crafts and warships

(b) Atomic energy (except in the areas related to the generation of nuclear power and applications of radiation and radio-isotopes to agriculture medicine and non-strategic industries)

(c) Railway transport

Further, for the non-strategic Public Sector Enterprises, the reduction of Government share to 26% is not automatic and the manner and pace of doing so is worked out on a case to case basis. A decision in regard to the percentage of disinvestment i.e.. Government share going down to less than 51% or to 26%, is taken on the following considerations:

(i) Whether the Industrial sector requires the presence of the public sector as a countervailing force to prevent concentration of power in private hands, and.

(ii) Whether the Industrial sector requires a proper regulatory mechanism to protect the consumer interests before Public Sector Enterprises are privatised.

(d) and (e) Disinvestment in the Public Sector Enterprises is carried out as per the prescribed procedure involving inter ministerial consultations at various levels. A decision to disinvest in a company is taken after considering all the relevant factors. While implementing the decisions of the Government, a tentative time table for the transaction is aggreed to, however, the actual timing of disinvestment in a company depends on various factors like market conditions, financial performance of the company, terms and conditions of sale, interest shown by the investors/buyers and advice of the advisors to the Government.

Newsitem in Marathi Daily "SAMANA"

2977. SHRI SATISH PRADHAN: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether Government's attention has been drawn to the news item which appeared in the Marathi Daily "SAMANA", dated 26th June, 2000 regarding the privatisation of Qutub Minar; Ganga Ghat; Soarati Somnath; Surya Mandir of Konark; and

(b) if so, the details thereof and Government's reaction thereto?

THE MINISTER OF STATE OF THE DEPARTMENT OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) and (b) Yes, Sir. The news item *inter-alia* stated that the Government has handed over the maintenance of several monuments of cultural importance to private parties for maintenance. The facts of the case are that no centrally protected monument has been handed over for maintenance to any private party. The Government has established a National Culture

Fund in which the interested individuals, corporate houses and industry may make donations/contributions for the preservation of the monuments. National Culture Fund also provides that any individual or a corporate sector may adopt any monument for its preservation/maintenance and development, the adoption will be under certain terms and conditions and for a limited time.